

## MEMORANDUM

DATE: May 1, 2007

TO: All Members of the Delaware State Senate  
and House of Representatives

FROM: Ms. Daniese McMullin-Powell  
Chairperson  
State Council for Persons with Disabilities

RE: H.B. 92 [Health Insurance Arbitration]

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 92 which would establish an arbitration system to resolve disputes between health care providers and insurers. Substantively, the bill would require State-regulated insurers to submit to Department-sponsored arbitration if a provider requested it within 60 days after receipt of the insurer's decision. The attached May 23, 2006 press release on the predecessor bill indicates that it is supported by the Medical Society of Delaware, Delaware Physical Therapy Association, and Delaware Chiropractic Society. The attached Committee report on the predecessor bill recites that it is also supported by Blue Cross/Blue Shield of Delaware. SCPD strongly endorses the proposed legislation subject to the following amendment.

Section 333(l) allows the arbitrator to dismiss an arbitration application without prejudice "if the arbitrator finds that the health care provider has not attempted to resolve the matter informally" prior to filing. Given the reference to "without prejudice", the bill contemplates the provider refiling an application if subsequent informal negotiations are unsuccessful. The potential problem is that the 60-day deadline [§333(b)] after receipt of "denial" will often have expired by the time the arbitrator dismisses a claim. SCPD recommends adding the following sentence at the end of §333(l): "Such dismissal shall result in an extension of the time period to file a petition to sixty (60) days after receipt of the post-dismissal decision rendered by the insurance carrier."

Thank you for your consideration and please contact SCPD if you have any questions regarding our position on the proposed legislation.

cc: The Honorable Ruth Ann Minner  
Governor's Advisory Council for Exceptional Citizens  
Developmental Disabilities Council

